

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AREA CODE 319 RELIEF PLAN	DOCKET NO. SPU-99-30
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SECOND ORDER ON RECONSIDERATION

(Issued January 22, 2001)

On December 28, 2000, the Utilities Board (Board) issued an “Order Granting And Denying Applications For Reconsideration” in this docket, revising the permissive and mandatory implementation dates for area code relief in the 319 area code and modifying the boundary between the new area codes. One of those modifications involved the Mechanicsville exchange, which was moved from the 319 area to the new 563 area.

On January 8, 2001, the Board received an informal request for reconsideration of the new area code boundary. Mr. R. A. Steen, Chairman and CEO of the Bridge Community Bank in Mechanicsville, Iowa, sent a letter asking that the Board return the Mechanicsville exchange to the 319 area code, rather than move it to the 563 area code.

In the December 28, 2000, order, the Board moved the Mechanicsville exchange from 319 to 563 because of technical network requirements and in order to keep the North Cedar Community School District in a single area code. The

school district covers four telephone exchanges: Stanwood, Mechanicsville, Clarence, and Lowden. Pursuant to the split adopted in the Board's November 16, 2000, order in this docket, Clarence and Lowden were assigned to 563 while Stanwood and Mechanicsville were to remain in 319. Two local exchange carriers filed a joint application for reconsideration, noting that both offer local exchange service in the Stanwood exchange using host switches that will be in the 563 area code. The carriers stated that having the host and remote switches in different area codes would cause technical and operational difficulties and asked that the Stanwood exchange be moved to 563. (Moving Clarence and Lowden to 319 was not a realistic option, given the disparity in projected lives for the two new area codes.) These technical network considerations justified revising the new area code boundary to include Stanwood in 563.

At the same time, the school district asked that all four exchanges served by the school district be moved to the same area code. The school district was emphatic that it should all be in one area code, but stated it was of little importance what area code that might be. Given that three of the four exchanges were now to be located in 563, it was clear this could best be accomplished by moving Mechanicsville to 563, as well. Thus, the Board's December 28, 2000, order moved the Stanwood and Mechanicsville exchanges to 563.

The bank's request for reconsideration starts from the premise that the Mechanicsville exchange should never have been moved to 563. The bank argues

that the school district's concern for having all four exchanges in one area code should be offset by "business and economic development issues that would be negatively impacted by an unnecessary change in the area code." The bank indicates the Mechanicsville community is economically tied to the Cedar Rapids-Iowa City business corridor and a change from the 319 area code would be a barrier to that connection.

Finally, the bank argues that the local economic development group in Mechanicsville tried to expand the local toll-free calling area to include the school district, but the effort was unsuccessful. Consequently, it is a toll call from Mechanicsville to the eastern half of the school district, meaning the area code has to be dialed to complete these calls. Thus, keeping the school district in a single area code may not make much difference, since the 563 area code can be dialed just as easily as the 319 area code.

The bank's request for reconsideration is much like the request the Board received from the Sumner exchange in the first round of reconsideration in this docket. The Sumner representatives asked to be left in 319, arguing the costs of an area code change would be a significant burden on the Sumner community. The bank's argument is similar; it would prefer to be left in the 319 area code and avoid the costs and inconveniences of an area code change. However, like Sumner, the bank has not identified any unique or unusual hardship it will experience as a result of area code relief; if the identified costs and inconveniences

were sufficient to justify leaving the Mechanicsville exchange in 319, then every exchange would have to be left in 319.

Moreover, one of the bank's arguments tends to support the idea that Mechanicsville should be moved to 563. The bank states that the local economic development group would like to expand the toll-free calling area to include the entire school district but has been unable to demonstrate the call volumes required for mandatory extended area service. Large-scale rate center consolidation currently being considered by the Board in Docket No. NOI-00-3 may offer another means of expanding the toll-free calling area for the Mechanicsville exchange, but that expanded area is not likely to extend across an area code boundary. The larger local calling area that the economic development group wants will probably never develop if the Mechanicsville exchange is separated from Stanwood and the other exchanges. Thus, keeping Mechanicsville with the other exchanges is necessary to preserve the possibility of local calling throughout the school district.

The Board will deny the bank's request for reconsideration. The Stanwood exchange has to be in the 563 area code for technical reasons concerning the operation of the telecommunications network. That means three of the four exchanges serving the North Cedar Community School District will be in the 563 area code; the only way to keep the school district in a single area code is to move the Mechanicsville exchange to 563 with the others. The bank has not identified any unique or unusual burden imposed on the customers of the Mechanicsville

exchange as a result of this assignment, so the Board must decline the request to change its earlier decision.

IT IS THEREFORE ORDERED:

The informal request for reconsideration filed on January 8, 2001, by the Bridge Community Bank is denied.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper

Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22nd day of January, 2001.